

A Guide to Effective Project Governance

What is Project Governance and why is it important?

Project Governance is the system that is put into place to ensure leadership, decision making and accountability are effective across all stages of the delivery of a project. A Governance system includes; project structures, processes (including reporting and risk management) and roles.

Effective governance is important for the following reasons:

It will ensure decisions are properly informed, they are made when required and the outcome is communicated appropriately: Projects depend upon the timely consideration and resolution of issues by people with both the knowledge and authority to make and implement decisions. Failure to achieve this will invariably lead to delays, inappropriate decisions and project failure.

Roles, responsibilities and accountabilities are clearly defined and agreed: It is important that there is an overall point of accountability (usually the Senior Responsible Owner) where the “buck stops” for realising the business case. This role must be backed up by a team of supporting individuals with clear roles and responsibilities which they and others understand (see [A Guide to Project Roles and Responsibilities](#)). Failure to define accountability can result in a culture where poor performance carries no consequences.

The project remains aligned with the strategies of the organisation: The overall strategic aims of the project must be aligned with the objectives and/ or strategies of the Authority. Alignment must be regularly revisited in a changing environment to ensure that the project remains viable, aligned with objectives and worthwhile.

A lack of effective governance will result in the inability to make informed decisions, failure to implement agreed actions and a lack of transparency. Weak governance can also compromise compliance with legal requirements and funding conditions.

Four Key Principles of Good Governance:

There are four key principles of good governance which are applicable to any project .

- Clear objectives
- Delegated authority and clear roles
- Reporting – sound information to govern by
- Independent assurance and clear decision gates

Principle 1: Clear objectives

Clear project objectives are essential to ensure that everyone involved in the project agrees what the project is trying to achieve. Without clear and agreed objectives we cannot effectively judge the success of the project.

Principle 2: Delegated authority and clear roles

It is essential that key individuals and groups or boards are clear about the authority and/or responsibilities vested in them and have the appropriate representation, skills, authority and resources to make and implement decisions. There must be clarity about where different levels of decision making take place. Each member of the Project Board and project team needs to understand his/her individual role as well as collective roles and responsibilities.

Questions to Ask:

1. Are we clear about everyone's roles and responsibilities? Have we agreed and documented individual roles within a Terms of Reference for the Project Board (on Strategic Projects only)?
2. Can everyone articulate their role (i.e. why am I at this project meeting) and how their role relates to others?
3. Have we 'fudged' difficult and contentious decisions about roles or delayed resolving these issues?
4. Do board members have the right level of seniority to get things done?

Principle 3: Reporting

The right type and level of information is required to inform decisions and needs to be provided to the appropriate decision makers at the right time. Without the right information which is both trusted and understood decision makers cannot make the informed decision(s) required of them.

Processes should be put in place to ensure that progress on milestones, achievements and targets are monitored. Reporting needs to be proportionate and appropriate for the needs of the group or individual it is provided for. It can easily become over complex and is a wasteful activity if the reported on and the reported to do not see value.

Questions to Ask:

1. Does reporting and agenda setting support the Project Board to behave as it needs to? Is it well chaired? If you are the chair have you asked others if the meeting is working?
2. Have you decided what documentation you will require that is appropriate and proportionate to the scale of the project? Is this aligned with what Project Board members want?
3. Have you agreed what meetings will be required, how often they will be required and what information will be presented at them? Have you scheduled them?
4. Are the needs of the project managers who are trying to deliver the project met? e.g. do they get the decisions they need or resolution of their issues through effective reporting?
5. Are your reports realistic and factual? Do you have an unrealistic “sea of green” or a murky soup of “amber” status?
6. Have you considered setting up a Shared Access Folder on the Council File Plan with complete access (permissions) for all of the team?

Principle 4: Monitoring, Control and Assurance

Effective governance provides a strong level of assurance for effective management and delivery. However, experience repeatedly shows that a degree of independent (i.e. outside of the project) review is vital because those directly involved in the project may not be fully objective. This may take the form of a formal independent review of the project, but needs to be proportionate to the scale and complexity of the project.

Many externally funded projects will be required, as part of the funding conditions, to undertake a Mid Term Evaluation and/ or a series of monitoring and review discussions with the funding body.

Clear Control Points and Decisions are set out in the Monitoring and Control section of the Project Management Toolkit. These are also useful points to revisit the business case and to carry out an assurance review (if appropriate).

1. Have you set out and justified your approach to project assurance? In particular have you scheduled your next independent review?
2. Are all key stakeholders and board members open to constructive challenge and open to the value of review recommendations?